

10/18/2018



Northern Oil and Gas, Inc. Announces Retirement of 2020 Notes and Updated Financial and Hedging Information

MINNEAPOLIS--(BUSINESS WIRE)-- Northern Oil and Gas, Inc. (NYSE American: NOG) today announced the retirement of the remainder of its 8% Senior Unsecured Notes due 2020. Northern's next dated maturity is for its Senior Secured Second Lien Notes, due May 2023. In addition, Northern is pleased to provide updated financial information after closing on its recent acquisitions and refinancing transactions. Northern is also providing updated hedging information.

HIGHLIGHTS

- Liquidity and debt maturities improved with new credit facility and the retirement of remaining unsecured notes
- Production per share based on fourth quarter guidance improved significantly
- Hedging expanded to help protect realized prices and cash flows, including basis hedges

FINANCIAL UPDATE

The table below sets forth selected operating and financial data both currently and, for comparative purposes, as of June 30, 2018. Liquidity has increased 14% despite over \$450 million in closed M&A transactions. Cash interest expense is expected to decrease over 13%. Fourth quarter production is expected to increase 58% over second quarter levels, as a result of additions from recent acquisitions and organic growth, a 19% increase on a per share basis. Higher production should drive free cash flow in the fourth quarter and beyond, reducing future interest expense further.

	June 30, 2018	October 17, 2018	% Change
Fundamentals			
WTI Oil Prices (per bbl) ⁽¹⁾	\$ 70.16	\$ 69.75	-0.6 %
Net Acres	142,248	153,325	7.8 %
Production (boe per day) ⁽²⁾	21,046	33,250	58.0 %
Liquidity ⁽³⁾⁽⁴⁾⁽⁵⁾	\$ 241.0	\$ 274.5	13.9 %
Annualized Cash Interest Expense on Current Balances (mm) ⁽⁴⁾	\$ 78.4	\$ 67.7	-13.7 %
Estimated Acquisition Adjustments Payable to Northern (mm) ⁽⁵⁾	\$ 0.0	\$ (24.5)	-
First Lien Credit Facility (mm) ⁽⁴⁾	\$ 360.0	\$ 175.0	-51.4 %
Second Lien Notes due 2023 (mm)	\$ 344.2	\$ 695.1	101.9 %
Unsecured Notes due 2020 (mm)	\$ 149.8	-	-
Total Debt (mm) ⁽⁵⁾	\$ 854.0	\$ 845.6	-1.0 %
Share Price ⁽⁶⁾	\$ 3.33	\$ 3.66	9.9 %
Shares Outstanding (mm)	290.7	385.7	32.6 %

Market Capitalization (mm) ⁽¹⁾	\$ 968.1	\$ 1,411.3	45.8	%
Enterprise Value	\$ 1,822.1	\$ 2,256.9	23.9	%

(1) Front month NYMEX WTI futures price.

(2) June 30, 2018 production is actual production for the second quarter of 2018. October 17, 2018 production is based on Northern's guidance for the fourth quarter of 2018 (as of 8/9/2018).

(3) Liquidity reflects cash plus borrowing availability under first lien credit facility.

(4) Borrowings under new revolving credit facility will fluctuate based on timing and working capital adjustments.

(5) Pro forma for expected net payments to be received in connection with post-closing working capital adjustments under Pivotal and W Energy acquisitions.

(6) Based on closing share price on Q2 earnings release of 8/9/2018 and 10/17/2018, respectively.

DEBT EXCHANGE UPDATE

Northern has previously announced a number of debt-for-equity exchanges since June 2018 to eliminate \$100.5 million in total principal amount of its recently retired 8% senior unsecured notes due 2020. Northern issued a total of 32.8 million shares of its common stock upon the initial closings of these exchanges, and several of the exchanges provided for potential additional future consideration depending on Northern's stock price performance. Currently, approximately 40% of the shares initially issued in these transactions are no longer subject to the potential for additional consideration. Based on Northern's closing share price on October 17, 2018, any potential additional consideration owed would be less than \$425,000 on all remaining outstanding exchanges.

UPDATED HEDGING SCHEDULE

Under Northern's new revolving credit facility, the Company has greatly expanded its hedging capacity. Commensurate with the closing of the new facility and the recent acquisitions, combined with substantially higher commodity prices, Northern has added substantial price protection for the remainder of 2018 and beyond. Currently, Northern has 18,769 barrels of oil per day hedged in 2019 at an average price of \$63.32. In addition, as in-basin differentials have widened of late, Northern would note it has 10,000 barrels a day of Clearbrook basis hedges for full year 2019 at an average of -\$2.41 off NYMEX WTI. An updated hedge schedule, excluding the above mentioned basis hedges, is provided below.

	June 30, 2018	October 17, 2018	% Change	
Daily Production Hedging Schedule				
Q4 2018	15,014	20,166	34.3	%
Average Price	\$ 60.44	\$ 63.66	5.3	%

2019	8,658	18,769	116.8	%
Average Price 2020	\$ 55.85 4,729	\$ 63.32 11,437	13.4 141.8	%
Average Price 2021	\$ 52.55 1,730	\$ 61.01 7,238	16.1 318.3	%
Average Price	\$ 55.67	\$ 61.18	9.9	%

ABOUT NORTHERN OIL AND GAS

Northern Oil and Gas, Inc. is an exploration and production company with a core area of focus in the Williston Basin Bakken and Three Forks play in North Dakota and Montana.

More information about Northern Oil and Gas, Inc. can be found at www.NorthernOil.com.

SAFE HARBOR

This press release contains forward-looking statements regarding future events and future results that are subject to the safe harbors created under the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”). All statements other than statements of historical facts included in this release regarding Northern’s financial position, business strategy, plans and objectives of management for future operations, industry conditions, and indebtedness covenant compliance are forward-looking statements. When used in this release, forward-looking statements are generally accompanied by terms or phrases such as “estimate,” “project,” “predict,” “believe,” “expect,” “continue,” “anticipate,” “target,” “could,” “plan,” “intend,” “seek,” “goal,” “will,” “should,” “may” or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about actual or potential future sales, market size, collaborations, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond Northern’s control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following: changes in crude oil and natural gas prices, the pace of drilling and completions activity on Northern’s properties, Northern’s ability to acquire additional development opportunities, changes in Northern’s reserves estimates or the value thereof, general economic or industry conditions, nationally and/or in the communities in which Northern conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, Northern’s ability to raise or access capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, and other economic, competitive, governmental, regulatory and technical factors affecting Northern’s operations, products, services and prices.

Northern has based these forward-looking statements on its current expectations and assumptions about future events. While management considers these expectations and assumptions to be reasonable, they are inherently

subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond Northern's control. Northern does not undertake any duty to update or revise any forward-looking statements, except as may be required by the federal securities laws.

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